

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF MEADE COUNTY RURAL)	
ELECTRIC COOPERATIVE CORPORATION TO)	CASE NO. 97-209
ADJUST ELECTRIC RATES)	

O R D E R

The Attorney General ("AG") has moved to compel Meade County Rural Electric Cooperative Corporation's ("Meade County RECC") response to his information request of September 22, 1997 and to amend the procedural schedule in this matter. Meade County RECC has submitted a response in opposition to the motion. Finding the AG's requests are designed to solicit relevant material and are not unduly burdensome, we grant the motion.

On September 22, 1997, the AG in accordance with the Commission's Order of September 8, 1997, served requests for information upon Meade County RECC. The AG sought, inter alia, information regarding Meade County RECC's actual expenses during the test period and prior periods. Arguing that the requested information was not relevant to the current proceeding because it sought only to pass any rate reductions which it received from its wholesale power supplier, Meade County RECC objected to most of these requests.

The AG then moved to compel production of the requested material. In support of his motion, the AG argues that his questions, including those regarding the appropriateness of Meade County's current Times Interest Earnings Ratio, are relevant

and deal with cost allocation and general rate issues. In response, Meade County RECC contends that the AG's requests will unduly complicate this proceeding, will require considerable time and resources to prepare responses and that no reasonable basis exists to suggest that Meade County RECC's rates are unreasonable. Meade County RECC suggest that, at the conclusion of this proceeding, the AG may file a complaint pursuant to KRS 278.260 if he believes that Meade County RECC's rates are unreasonable.

Having reviewed the disputed requests for information, the Commission finds that none are unreasonable or irrelevant to the issues presented by Meade County RECC's application. The request addresses issues that are basic to the review of proposed rates. Contrary to Meade County RECC's assertion, the application before the Commission is an application for a general rate adjustment. The burden of demonstrating the reasonableness of the proposed rates falls on the applicant. KRS 278.190(3). The AG is within his rights to request information to test the reasonableness of those rates.

Accordingly, the Commission HEREBY ORDERS and COMPELS Meade County RECC to respond no later than November 14, 1997 to Request Nos. 5, 6, 8 through 15, 19 through 72, and 74 through 83. The Commission FURTHER ORDERS that the procedural schedule set forth in the Commission's Order of September 19, 1997 is vacated and replaced with the procedural schedule set forth in the Appendix to this Order.

Done at Frankfort, Kentucky, this 5th day of November, 1997.

PUBLIC SERVICE COMMISSION

A handwritten signature in dark ink, appearing to be "Ed J. K...", written over a horizontal line.
For the Commission

ATTEST:

A handwritten signature in dark ink, appearing to be "Helen C. Allen", written over a horizontal line.
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 97-209 DATED 11/5/97

Meade County RECC shall mail or deliver responses to
the AG's requests for information no later than 11/14/97

All supplemental requests for information to Meade County RECC
shall be due no later than 11/26/97

Meade County RECC shall mail or deliver responses to
supplemental requests for information no later than 12/08/97

Intervenor testimony, if any, shall be
filed in verified prepared form no later than 12/19/97

All requests for information to
Intervenors shall be due no later than 12/31/97

Last day for Meade County RECC to publish notice
of hearing date 01/06/98

Intervenors shall mail or deliver responses
to requests for information no later than 01/09/98

Public Hearing is to begin at 9:00 a.m., Eastern
Standard Time, in Hearing Room 1 of the Commission's
offices at 730 Schenkel Lane, Frankfort, Kentucky,
for the purpose of cross-examination of witnesses 01/13/98